

1.0 **INTRODUCTION**

Genwal Coal Company is facing depletion of coal reserves on its current leases (U-054762 and SL-062648) located in Emery County, Utah. Genwal has two nearby leases (ML21568 and ML21569), separated from its existing mining operations by approximately 4/5 miles of unleased public land.

Access to coal leases in the area is via Crandall Canyon, and the Forest Service has expressed the strong desire to limit surface disturbances to Crandall Canyon and the area south of it. Genwal's current operation is accessed via Crandall Canyon, and due to the Forest Service's access limitation, any future leases would also be accessed from this Canyon.

Genwal applied for an underground right of way (ROW) across the unleased public lands to access their other leases. The concern was expressed that such a ROW could impact the accessibility of coal located on possible future leases. Genwal contracted with Redpath to study the access problem and provide a report on their findings. The results of that study were presented in a report dated 29 November 1989.

Since the submission of that report, the Bureau of Land Management asked Genwal to consider the following scenario: Another company wins coal leases immediately south of Genwal's existing mine, as well as to the north of Genwal's requested ROW. Assuming that this company develops its southern reserves first from the outcrop, determine the method and cost to access the reserves north of Genwal's ROW.